



**U.S. Department of Justice**

*Southern District of Indiana*

*United States Attorney*

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**FOR IMMEDIATE RELEASE:**

**INDIANAPOLIS MAN SENTENCED IN  
MILLION DOLLAR MORTGAGE FRAUD SCHEME**

**PRESS RELEASE**

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that JON CHRISTOPHER HUTSELL, 28, of Indianapolis, Indiana, was sentenced today to 27 months imprisonment by United States District Court Judge David F. Hamilton for crimes related to mortgage fraud activities in which he participated between mid-2001 and early 2003. The investigation was conducted by the Internal Revenue Service and the United States Postal Inspection Service, working as part of the Southern District of Indiana Mortgage Fraud Task Force. HUTSELL pleaded guilty to one count of conspiracy to commit mail fraud and one count of money laundering.

HUTSELL fraudulently obtained large amounts of money from several lending institutions by submitting false loan applications and falsely inflated appraisals for the purpose

of obtaining mortgage loans. HUTSELL operated as a loan officer and mortgage broker for Admiral Fidelity, a mortgage brokerage business located in Indianapolis. HUTSELL and others fraudulently obtained over \$3,450,000.00 through 32 separate mortgage loans. The scheme involved what is commonly referred to as “flip” transactions. HUTSELL provided the money for and purchased (either in their own name or the names of others) residential properties, usually in low-income areas in Indianapolis, at a fair market price. A very short time after buying the properties, they entered into a second transaction to sell the properties. In the second sale, the sales price far exceeded the value of the property. HUTSELL recruited “investors” to buy the properties. HUTSELL then originated loans to obtain financing for these second purchases. He prepared and submitted to mortgage lenders false loan applications supported by fraudulent bank account information. He also submitted falsely inflated appraisals to induce the lending institutions to make the loans.

HUTSELL also enlisted the aid of title company closing agents to assist them in preparing and processing false settlement statements, and in disbursing the falsely obtained loan proceeds. They also submitted fictitious invoices to support payments to fictitious entities they created. They also “fronted” down payments to the buyers by obtaining cashier’s checks showing the buyers as remitters, in order to make it appear that the buyers were making down payments on the properties when they were not.

After obtaining the fraudulent loan proceeds, HUTSELL and others shared the funds and engaged in various transactions to hide or “launder” the money. The majority of the loans fraudulently obtained were not repaid as agreed, are currently in default, and are or have been the subject of foreclosure proceedings.

According to Assistant United States Attorney Susan Heckard Dowd, who prosecuted the case for the government, HUTSELL was also ordered to serve three years supervised release and was ordered to make restitution to victim financial institutions in the amount of nearly \$1.5 million dollars.

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